

Instructions for Form 592-F

Foreign Partner or Member Annual Return

General Information

~~When filing Form 592-F with the Franchise Tax Board (FTB), Partnerships, limited liability companies (LLC), and beneficiaries complete Form 592-F, Foreign Partner or Member Annual Return, at the end of the taxable year, to report the total withholding for the year and to allocate the income and related withholding to the foreign partners or members. When filing Form 592-F with the FTB, the withholding agent is no longer required to submit to the FTB Form 592-B, Nonresident Withholding Tax Statement, for each partner or member. However, withholding agents must continue to provide the partners or members with paper Forms 592-B.~~

Round Cents To Dollars – Round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25. If you do not round, the FTB will disregard the cents. This change helps process your returns quickly and accurately.

For California withholding purposes only, a reference in these instructions to:

- ~~“Nonresident” includes individuals who are not residents of California, corporations not qualified through the California Secretary of State (SOS) to do business in California or having no permanent place of business in California, partnerships, or limited liability companies (LLCs) with no permanent place of business in California, any trust without a resident grantor, beneficiary, or trustee, or estates where the decedent was not a California resident.~~
- ~~“Foreign” refers to non-U.S.~~

~~Withholding on foreign partners or members is remitted to the FTB with Form 592-A, Foreign Partner or Member Quarterly Withholding Remittance Statement. For more information on the withholding requirements or to send withholding payments during the year, get Form 592-A. For information on the withholding requirements or to send withholding payments during the year, get Form 592-A.~~

A Electronic Funds Transfer (EFT)

Corporations that meet certain requirements must remit all of their payments through EFT rather than by paper checks to avoid the EFT penalty. Corporations that remit an estimated tax payment or extension payment in excess of \$20,000 or that have a total tax liability in excess of \$80,000 must remit all of their payments through EFT. The FTB will notify corporations that are subject to this requirement. Those that do not meet these requirements and wish to participate on a voluntary basis may do so. If paying by EFT, DO NOT send the payment voucher. For more information, go to our website at

ftb.ca.gov and search for EFT, call (916) 845-4025, or get FTB Pub. 3817, Electronic Funds Transfer Program Information Guide.

B Purpose

Use Form 592-F to report the total withholding for the year on foreign partners or members under California Revenue and Taxation Code (R&TC) Section 18666. Form 592-F is used by pass-through entities to flow through withholding credit to their foreign partners or members. **Caution:** Real Estate Withholding should not be reported on this form.

Do not use Form 592-F if:

- You are reporting withholding on domestic nonresident partners or members. Use Form 592, Quarterly Nonresident Withholding Statement.
- You are the buyer or escrow person withholding on the sale of real estate. Use Form 593, Real Estate Withholding Tax Statement, to remit and report real estate withholding.

C When and Where to File

For withholding on foreign partners or members, file Form 592-F, on or before the 15th day of the 4th month following the close of the entity's taxable year. If all the partners or members are foreign, Form 592-F must be filed on or before the 15th day of the 6th month after the close of the partnership's or LLC's taxable year.

Send any Form 592-F and payment to:

WITHHOLDING SERVICES AND
COMPLIANCE
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

Federal law requires that payees be notified within 10 days of the quarterly installment payment date regarding any tax withheld. For California withholding purposes, withholding agents should make similar notification. No particular form is required for this notification, and it is commonly done on the statement accompanying the distribution or payment. However, the withholding agent may choose to report the tax withheld to the payee on a Form 592-B.

D Amending Form 592-F

Amended forms can only be filed by the withholding agent. To amend Form 592-F:

- Complete a new Form 592-F with the correct information.
- Check the “Amended” box at the top of the revised form.
- Include a letter explaining what changes were made and why.

- Send the amended Form 592-F and letter to the address on the form.

E Electronic Filing and Magnetic Media Requirements

Form 592 information must be filed with the FTB via magnetic media or electronically, using FTB's Secure Web Internet File Transfer (SWIFT), instead of paper when the number of payees on Form 592 is 250 or more. However, withholding agents must continue to provide vendors/payees with paper Forms 592-B. To submit your Form 592, for electronic filing, submit your file using the SWIFT process as outlined in Publication 923, SWIFT Guide for Nonresident and Real Estate Withholding.

For magnetic media, submit all the information from Form 592 on a disk to:

WITHHOLDING SERVICES AND
COMPLIANCE
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

For the required file format and record layout or both electronic and magnetic media filing, get FTB Pub. 1023 S, Nonresident Withholding Electronic Submission Requirements. If you are the preparer for more than one withholding agent, provide a separate electronic file or disk for each withholding agent.

For electronic filing or magnetic media, submit your payment using Electronic Funds Transfer (EFT) or Form 592-V, Payment Voucher for Nonresident Withholding Electronic Submission.

Interest and Penalties

Interest on late payments is computed from the due date of the withholding to the date paid. Failure to withhold may result in the withholding agent being personally liable for the amount of tax that should have been withheld and for interest and penalties.

Failure to provide correct Forms 592-B to the payees by the due date may result in penalties up to \$100 per Form 592-B.

Specific Instructions

Taxable Year – Make sure the year in the upper left corner of the form matches the ending date of the taxable year.

Magnetic Media – Check the box to show if you are providing the Schedule of Payees to the FTB electronically or via magnetic media.

Magnetic media is required if you withheld on 250 or more payees.

Taxable Year – Enter the beginning and ending dates for the partnership's or LLC's taxable year.

Part I Withholding Agent

Enter the withholding agent's name, ID number, and address. If your entity is a partnership, LLC, estate, or trust that was withheld upon by another entity because you are a foreign (non-U.S.) partner or member of that entity and you are flowing through the withholding credit to your partners, members, or beneficiaries, enter your entity's name, ID number, and address in the withholding agent area.

If you are filing Form 592-F only to flow withholding credits through to your S corporation shareholders, partners, members, or beneficiaries, enter your information in Part I as the withholding agent.

Do not enter the name or ID number of the entity which originally withheld payments from you.

Include the Private Mail Box (PMB) in the address field. Write the acronym "PMB" first, then the box number. Example: 111 Main Street PMB 123.

Enter the total number of partners or members included on Side 2, Schedule of Payees.

Enter the total California source income subject to withholding from Side 2, Total tax withheld from Schedule of Payees.

Part II Tax Withheld

Line 1 – Enter the total tax withheld from the Schedule of Payees listed on Side 2 (for more information, see Schedule of Payees Instructions in the next column).

Line 2 – Enter the amount withheld by another entity and being allocated to your foreign partners or members. If any of the amount withheld by the other entity is to be used against the tax owed by your entity, do not include that amount in line 2. Attach a note to Form 592-F explaining how much of the credit will be used to offset your tax due.

Line 3 – Enter prior payments for the taxable year shown above from Forms 592-A, Foreign Partner or Member Quarterly Remittance Statement.

Line 4 – Enter the amount of foreign partner or member credit carried over from the prior withholding year.

Line 6 – If line 1 is more than line 5, subtract line 5 from line 1. If the result is less than zero, enter -0-. Attach a check or money order for the full amount payable to the "Franchise Tax Board." Write the partnership's or LLC's FEIN and "2009 Form 592-F" on the check or money order.

Line 7 – If line 5 is more than line 1, subtract line 1 from line 5. This is your overpayment (complete lines 8 and 9).

Line 8 – Enter the amount of your over-payment on line 7 that you want to credit to next year's Form 592-F.

Part III Perjury Statement

Complete the withholding agent's and preparer's information.

Schedule of Payees Instructions

Enter all the requested information for each payee you report as having received California source income to guarantee each payee's withholding payment is timely and applied properly. If you withheld tax on multiple payees for the quarter, use additional pages as necessary, starting with Side 2. Be sure to include the withholding agent's name and ID number at the top of each additional page.

ID Number, Name, and Address – Enter the identification number, name, and address for the partner or member.

Income Amount – Enter the amount of income withheld upon.

Amount of Tax Withheld – Enter the amount of tax withheld. Determine the California source taxable income allocable for the partner or member by using the following calculations:
$$\text{Income amount} \times \text{the maximum tax rate for the partner or member}$$

Additional Information

For additional information or to speak to a representative regarding this form, call the Withholding Services and Compliance automated telephone service at: (888) 792-4900 or (916) 845-4900 (not toll-free).

OR to get forms by mail write to:

WITHHOLDING SERVICES AND COMPLIANCE
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

For information on requirements to file a California tax return or to get forms, call:

From within the United States. (800) 852-5711
From outside the United States. (916) 845-6500 (not toll-free)

You can download, view, and print California tax forms and publications from our website at ftb.ca.gov.

OR to get forms by mail write to:

TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

Assistance for Persons with Disabilities

We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call:

TTY/TDD (800) 822-6268

Asistencia Telefonica y en el Internet

Dentro de los Estados Unidos,

llame al (800) 852-5711

Fuera de los Estados

Unidos, llame al (916) 845-6500 (cargos aplican)

Sitio web: ftb.ca.gov

Asistencia para personas discapacitadas

Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos o de habla pueden llamar al TTY/TDD (800) 822-6268.